

2011 Property Tax Report

Hancock County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Hancock County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Hancock County

The average homeowner saw a 4.5% tax bill decrease from 2010 to 2011.

Homestead taxes in 2011 were 18.4% lower than they were in 2007, before the property tax reforms.

88.4% of homeowners saw lower tax bills in 2011 than in 2007.

51.6% of homeowners saw tax decreases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 1% and 29% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	3,130	17.5%	2,073	11.6%
No Change	3,522	19.7%	8	0.0%
Lower Tax Bill	11,220	62.8%	15,791	88.4%
Average Change in Tax Bill	-4.5%		-18.4%	
Detailed Change in Tax Bill				
20% or More	112	0.6%	357	2.0%
10% to 19%	60	0.3%	387	2.2%
1% to 9%	2,958	16.6%	1,329	7.4%
0%	3,522	19.7%	8	0.0%
-1% to -9%	9,227	51.6%	4,104	23.0%
-10% to -19%	1,051	5.9%	4,456	24.9%
-20% to -29%	335	1.9%	4,082	22.8%
-30% to -39%	185	1.0%	2,015	11.3%
-40% to -49%	119	0.7%	547	3.1%
-50% to -59%	79	0.4%	172	1.0%
-60% to -69%	77	0.4%	128	0.7%
-70% to -79%	77	0.4%	92	0.5%
-80% to -89%	40	0.2%	74	0.4%
-90% to -99%	13	0.1%	35	0.2%
-100%	17	0.1%	86	0.5%
Total	17,872	100.0%	17,872	100.0%

Note: Percentages may not total due to rounding.

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AN ADDED LOCAL HOMESTEAD CREDIT OFFSETS THE LOSS OF THE STATE HOMESTEAD CREDIT AND HIGHER TAX RATES, SO HOMESTEAD TAX BILLS DECREASED
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Homestead Property Taxes

Homestead property taxes decreased 4.5% on average in Hancock County in 2011, whereas statewide there was an average increase of 4.4%. Hancock County homestead taxes were 18.4% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax decrease in 2011 was mainly due to the adoption of a new local income tax for property tax relief, which funded an added local homestead credit. Without this new credit, homestead taxes would have risen because of higher tax rates and because of the phaseout of the state homestead credit in 2011. The state homestead credit was 3.4% in Hancock County in 2010.

Tax Rates

Property tax rates increased in all Hancock County tax districts. The average tax rate increased by 4.7% because of an increase in the levy. Levies in Hancock County increased by 4.5%. The biggest levy increases were in the Mt. Vernon Community Schools, Southern Hancock County Community Schools, and Greenfield Central Community Schools debt service funds, and the county cumulative bridge and bond funds. Hancock County's total net assessed value increased 0.4% in 2011. (The certified net AV used to compute tax rates declined by 0.2%.) Homestead net assessments decreased by 3.0%. Other residential assessments and business net assessments showed a small increase at 0.4%, and 1.9%, respectively, while agricultural net assessments increased by 19.5%.

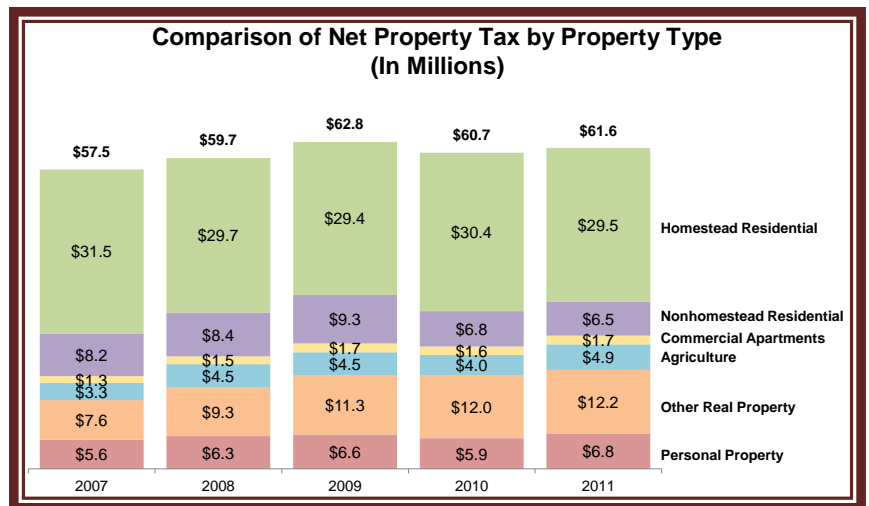
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*TAXES INCREASED FOR BUSINESS AND
AGRICULTURE, DUE TO HIGHER TAX RATES
AND INCREASED ASSESSMENTS*

★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 1.3% in Hancock County in 2011, less than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 4.6%. Tax bills for commercial apartments increased 5.6%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - rose by 5.9%. These changes resulted from a combination of tax rate increases and assessed value change. Agricultural taxes increased by 23.3%. This was mainly due to a large increase in agricultural assessments, due only in part to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED
SLIGHTLY IN 2011*

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Total tax cap credit losses in Hancock County were \$5.3 million, or 7.6% of the levy. This was less than the state average loss rate of 9.2%, but more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Hancock County's tax rates were near the state median. Homestead credits are high in part because of the high value of homes in Hancock County.

About half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. The largest percentage losses were in the towns of Fortville, Shirley, and Cumberland. The taxing districts that include these towns all had tax rates above \$3 per \$100 assessed value. The largest dollar losses were in the Mt. Vernon, Greenfield Central, and Southern Hancock School Corporations, and in the county unit.

Hancock County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$2,808,466	\$2,218,416	\$2,021	\$33,712	\$5,062,615	7.7%
2011 Tax Cap Credits	2,427,683	2,751,828	73,131	16,862	5,269,505	7.6%
Change	-\$380,783	\$533,413	\$71,110	-\$16,850	\$206,890	-0.1%

Tax cap credits increased slightly in Hancock County in 2011 by \$206,890, or 4%. Most of the

increase in tax cap credits was in the 2% tax cap category, the result of tax rate increases. The new local homestead credit reduced tax bills for homesteads, and so reduced tax cap credits in the 1% homestead category.

The Effect of Recession

The 2009 recession had a mixed effect on Hancock County assessments for pay-2011. Business and homestead property values and construction activity appear to have fallen in Hancock County in 2009, but increases in agricultural assessments offset this decline. The very small increase in net assessments contributed to the tax rate increase, which added to the tax cap credit losses in the 2% and 3% categories.

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*2009 RECESSION HAD A MIXED EFFECT
ON ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$3,423,580,911	\$3,391,768,795	-0.9%	\$1,615,150,298	\$1,566,627,918	-3.0%
Other Residential	324,178,203	325,711,600	0.5%	322,152,103	323,385,175	0.4%
Ag Business/Land	224,974,100	268,822,700	19.5%	223,829,820	267,427,100	19.5%
Business Real/Personal	973,125,269	964,843,146	-0.9%	758,910,120	773,246,068	1.9%
Total	\$4,945,858,483	\$4,951,146,241	0.1%	\$2,920,042,341	\$2,930,686,261	0.4%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Hancock County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	74,478,988	85,987,664	63,034,382	64,124,574	66,993,140	15.5%	-26.7%	1.7%	4.5%
State Unit	80,142	85,719	0	0	0	7.0%	-100.0%		
Hancock County	10,895,969	10,789,802	11,243,313	10,950,639	11,542,471	-1.0%	4.2%	-2.6%	5.4%
Blue River Township	26,381	27,541	28,944	29,966	30,866	4.4%	5.1%	3.5%	3.0%
Brandywine Township	90,090	90,534	87,487	85,100	80,512	0.5%	-3.4%	-2.7%	-5.4%
Brown Township	24,276	25,118	26,383	27,124	27,361	3.5%	5.0%	2.8%	0.9%
Buck Creek Township	546,929	827,910	1,140,377	1,143,337	1,161,710	51.4%	37.7%	0.3%	1.6%
Center Township	413,996	354,274	102,395	105,295	109,421	-14.4%	-71.1%	2.8%	3.9%
Green Township	60,025	61,615	60,970	60,210	38,419	2.6%	-1.0%	-1.2%	-36.2%
Jackson Township	46,711	48,532	46,463	47,281	48,040	3.9%	-4.3%	1.8%	1.6%
Sugar Creek Township	2,255,869	2,900,446	2,813,564	2,894,735	2,873,483	28.6%	-3.0%	2.9%	-0.7%
Vernon Township	349,436	374,553	736,105	654,690	638,229	7.2%	96.5%	-11.1%	-2.5%
Greenfield Civil City	5,667,289	5,922,467	6,659,775	6,739,650	6,780,229	4.5%	12.4%	1.2%	0.6%
Fortville Civil Town	855,011	875,235	979,484	966,394	944,695	2.4%	11.9%	-1.3%	-2.2%
New Palestine Civil Town	345,046	428,972	459,049	411,882	429,174	24.3%	7.0%	-10.3%	4.2%
Shirley Civil Town	182,052	183,282	188,190	177,786	189,946	0.7%	2.7%	-5.5%	6.8%
Spring Lake Civil Town	22,532	23,568	24,027	24,893	24,776	4.6%	1.9%	3.6%	-0.5%
Wilkinson Civil Town	87,538	53,661	80,123	79,166	83,340	-38.7%	49.3%	-1.2%	5.3%
Cumberland Civil Town	1,166,393	1,234,265	1,098,224	1,199,598	1,233,994	5.8%	-11.0%	9.2%	2.9%
McCordsville Civil Town	940,295	1,024,707	1,070,881	1,107,969	1,114,543	9.0%	4.5%	3.5%	0.6%
Southern Hancock County Comm Schools	13,909,047	14,958,806	8,287,911	8,638,440	8,940,514	7.5%	-44.6%	4.2%	3.5%
Greenfield Central Community School Corp	16,974,838	22,382,690	14,432,015	14,180,657	14,597,258	31.9%	-35.5%	-1.7%	2.9%
Mt. Vernon Community School Corp	15,576,207	18,560,528	10,760,931	12,107,993	13,470,732	19.2%	-42.0%	12.5%	11.3%
Eastern Hancock County Comm Schools	3,962,916	4,753,439	2,707,771	2,491,769	2,633,427	19.9%	-43.0%	-8.0%	5.7%
Fortville Public Library	0	0	0	0	0				
Hancock County Public Library	0	0	0	0	0				
Greenfield Redevelopment Comm	0	0	0	0	0				

Hancock County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

			Credit Rates						Net Tax Rate, Homesteads
Dist #	Taxing District	Tax Rate	LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
30001	Blue River Township	1.5411	--	--	--	--	10.2927%	--	1.3825
30002	Brandywine Township	1.8381	--	--	--	--	10.2927%	--	1.6489
30003	Brown Township	1.5362	--	--	--	--	10.2927%	--	1.3781
30004	Shirley Town	3.2642	--	--	--	--	10.2927%	--	2.9282
30005	Wilkinson Town	2.5169	--	--	--	--	10.2927%	--	2.2578
30006	Buck Creek Township	2.4458	--	--	--	--	10.2927%	--	2.1941
30007	Cumberland Town-Buck Creek Township	3.3541	--	--	--	--	10.2927%	--	3.0089
30008	Center Township	2.0090	--	--	--	--	10.2927%	--	1.8022
30009	Greenfield City	2.5912	--	--	--	--	10.2927%	--	2.3245
30010	Green Township	1.8004	--	--	--	--	10.2927%	--	1.6151
30011	Jackson Township	1.5604	--	--	--	--	10.2927%	--	1.3998
30012	Sugar Creek Township	2.2906	--	--	--	--	10.2927%	--	2.0548
30013	New Palestine Town	2.8480	--	--	--	--	10.2927%	--	2.5549
30014	Spring Lake Town	2.3236	--	--	--	--	10.2927%	--	2.0844
30015	Cumberland Town-Sugar Creek Township	3.0326	--	--	--	--	10.2927%	--	2.7205
30016	Vernon Township	2.2407	--	--	--	--	10.2927%	--	2.0101
30017	Fortville Town	3.2027	--	--	--	--	10.2927%	--	2.8731
30018	Town Of McCordsville	2.7874	--	--	--	--	10.2927%	--	2.5005
30019	Greenfield-Brandywine	2.3543	--	--	--	--	10.2927%	--	2.1120

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.
The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.
The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.
The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Hancock County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	2,427,683	2,749,363	65,107	16,862	5,259,015	66,993,140	7.9%
<i>TIF Total</i>	0	2,465	8,024	0	10,490	2,061,515	0.5%
<i>County Total</i>	2,427,683	2,751,828	73,131	16,862	5,269,505	69,054,655	7.6%
Hancock County	356,392	424,049	8,355	2,775	791,571	11,542,471	6.9%
Blue River Township	0	0	0	5	5	30,866	0.0%
Brandywine Township	75	2	0	1	78	80,512	0.1%
Brown Township	21	247	22	6	296	27,361	1.1%
Buck Creek Township	28,671	43,614	25	372	72,681	1,161,710	6.3%
Center Township	1,493	4,539	0	14	6,045	109,421	5.5%
Green Township	0	0	0	7	7	38,419	0.0%
Jackson Township	0	0	0	0	0	48,040	0.0%
Sugar Creek Township	101,475	83,827	12	604	185,918	2,873,483	6.5%
Vernon Township	39,738	40,217	2,623	361	82,939	638,229	13.0%
Greenfield Civil City	109,376	342,411	0	708	452,495	6,780,229	6.7%
Fortville Civil Town	44,017	115,239	16,300	679	176,234	944,695	18.7%
New Palestine Civil Town	44,996	21,171	0	141	66,307	429,174	15.4%
Shirley Civil Town	2,918	28,077	3,349	516	34,860	189,946	18.4%
Spring Lake Civil Town	13	1,147	0	39	1,200	24,776	4.8%
Wilkinson Civil Town	99	5,138	0	26	5,263	83,340	6.3%
Cumberland Civil Town	263,971	67,559	1,754	280	333,563	1,233,994	27.0%
McCordsville Civil Town	108,350	56,768	0	275	165,393	1,114,543	14.8%
Southern Hancock County Comm Schools	303,101	227,064	512	1,816	532,493	8,940,514	6.0%
Greenfield Central Community School Corp	183,794	558,887	0	1,929	744,610	14,597,258	5.1%
Mt. Vernon Community School Corp	837,267	706,427	30,078	5,765	1,579,537	13,470,732	11.7%
Eastern Hancock County Comm Schools	1,918	22,978	2,078	542	27,517	2,633,427	1.0%
Fortville Public Library	0	0	0	0	0	0	
Hancock County Public Library	0	0	0	0	0	0	
Greenfield Redevelopment Comm	0	0	0	0	0	0	
Three Rivers Solid Waste Mgt Dist	0	0	0	0	0	0	
Hancock County Solid Waste Dist	0	0	0	0	0	0	
Greenfield Redevelopment Comm	0	0	0	0	0	0	
TIF - Buck Creek	0	245	0	0	245	220,740	0.1%
TIF - Greenfield	0	1,823	0	0	1,823	1,712,934	0.1%
TIF - Fortville	0	398	8,024	0	8,422	127,841	6.6%
TIF - Mccordsville	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.